



BOARD OF EQUALIZATION

**CUSTOMER SERVICES AND ADMINISTRATIVE
EFFICIENCY COMMITTEE MEETING MINUTES**HONORABLE BILL LEONARD, COMMITTEE CHAIR
450 N STREET, SACRAMENTO

JULY 8, 2008, 9:30 A.M.

ACTION ITEMS & STATUS REPORT ITEMS**Agenda Item No: 1****Title:** Presentation of Enhanced Sales and Use Tax Online Tutorial**Issue/Topic:**

A demonstration of the Enhanced Sales and Use Tax Tutorial by Web and Media Services.

Committee Discussion:

Committee Chair Bill Leonard opened the Committee meeting by introducing the agenda item and asked the staff to give an update on the Sales and Use Tax Online Tutorial.

Ms. Kari Hammond, Outreach Services Division, External Affairs Department, introduced Mr. John Quijada, Web and Media Services Division.

Mr. Quijada explained to the Board how the online tutorial works and gave a brief demonstration. Mr. Quijada stated that the current online tutorial is a set of PowerPoint slides which has been on the Board of Equalization's Internet site for several years. He went on to state this new version is based on the same tutorial but utilizes new technology to deliver a more dynamic and interactive experience.

Mr. Quijada proceeded to move through some of the pages demonstrating some of the enhanced features:

- Main menu page for the new tutorial.
- Main page for Lesson One listing the various modules associated with it.
- Feature to mouse over the Lessons tab at the bottom of any screen brings up links to all six lessons as well as a link to the Quiz section of the tutorial.
- Each module offers direct links to any other module within the lesson as well as the option to use the Lessons tab at the bottom to link to other Lessons in the tutorial.
- Feature to mouse over the light bulb icon brings up a sidebar-like "tips" of additional information.
- Features scroll bars for vertical scrolling on pages when necessary.
- Feature in Lesson 4 to mouse over figures on a specific line of the return which activates a pop-up bubble explaining how the figure was calculated.

- Feature in Lesson 6 links open to pages listing relevant links on the Board of Equalization's Internet site as well as links to relevant telephone numbers.
- The final section of the tutorial is a Quiz for the user to test his/her knowledge.

Committee Chair Bill Leonard thanked staff for the demonstration and asked the Board Members if they had any comments or questions.

Board Member Betty Yee asked staff if they had plans to translate the tutorial in different languages.

Ms. Hammond commented that staff is working on an action plan for translating into the four core languages, Spanish, Chinese, Vietnamese, and Korean.

Board Member Yee encouraged staff to consider using Board of Equalization bilingual staff as part of the action plan to translate the tutorial.

Committee Chair Bill Leonard asked staff to incorporate a way for users to give feedback.

Mr. Quijada said staff could incorporate a section for user feedback and comments.

Committee Chair Bill Leonard again thanked staff for the demonstration.

Committee Action/Recommendation/Direction:

Action to be taken:

- Staff to incorporate a section for user feedback and comments.
- Staff to translate tutorial into Spanish, Chinese, Vietnamese, and Korean.

Committee Materials:

- Enhanced Sales and Use Tax Online Tutorial Memorandum dated June 23, 2008.

Agenda Item No: 2

Title: Administrative Settlement Program Report

Issue/Topic:

Clarification of Board Members' June 24, 2008 Decision on Administrative Settlement Program Policies and Procedures.

Committee Discussion:

Committee Chair, Bill Leonard, introduced the agenda item and asked staff to give the report on the clarification of the Board's June 24, 2008, decision to establish a policy to allow settlement offers to be submitted up to 15 days before a case is scheduled to be considered or reconsidered at a Board Meeting.

Ms. Jean Ogrod, Assistant Chief Counsel, with the Legal Department gave the Board an overview of the new policy that was approved by the Board at the June 24, 2008, Board meeting.

Ms. Ogrod explained that since the last Board meeting in June 2008, staff had been requested to address the decision with regard to when during the Petition for Rehearing process staff may consider a settlement offer. Specifically, staff had been requested to address the issue of whether an offer may be considered after a taxpayer or feepayer has filed a Petition for Rehearing but before the Board has decided whether to grant or deny the Petition. Staff understood the new policy allowed consideration of settlement offers in such cases.

Ms. Ogrod requested the Board's direction on whether staff may proceed to consider an offer submitted after a Petition for Rehearing has been filed but before the Board's decision on whether to grant or deny the rehearing.

Board Members discussed the concern that this interpretation of the policy may encourage taxpayers and feepayers to delay in submitting offers of settlement until after the Board has decided the cases and undermine the Board's decision shortly after the decision is rendered.

Board Members also discussed the Board's statutory authority for both the Administrative Hearing process and the Settlement Program process. The discussion included staff's consideration of risks or hazards of litigation before a court from both the taxpayer/feepayer's and Board's perspective before submitting a settlement for Board consideration, and the authority of the Board to grant or deny a settlement offer.

Staff was asked by Board Members the number of inquiries received for settlement offers and the percentage of those inquiries that are submitted to the Board for consideration. In addition, staff was asked how many inquiries were made after the 45-day deadline or during the Petition for Rehearing process.

Staff reported on average approximately 380 inquiries are received each year and 85 percent of those inquiries were accepted and 15 percent are rejected. Of the 320 accepted for consideration, 64 percent are either settled or resolved.

- 51% settled.
- 13% resolved.
- 4 to 5 cases submitted after the 45-day deadline or during the Petition for Rehearing process.

Two motions were made and a vote taken on both motions (see table under Committee Action/Recommendation/Direction).

Committee Chair Bill Leonard asked staff to keep statistics on the number of settlement offers received by the Legal Department and when in the process the requests are made.

In addition, Board Member Judy Chu asked staff to include in the Settlement Recommendations submitted to the Board for consideration information about when in the appeal process an inquiry for settlement is received.

The Committee Chair thanked staff for the report, and with no other comments; adjourned the Committee.

Committee Action/Recommendation/Direction:

Motion 1- Clarification of the new policy in regard to the Petition for Rehearing process.

Motion by Board Member Judy Chu, seconded by Board Member Betty Yee if a case is in the Petition for Rehearing process, staff may consider a settlement offer only if the Petition for Rehearing is granted.

Upon a 2-3 vote, the motion failed.

MEMBER	Yee	Leonard	Steel	Chu	Mandel
VOTE	Y	N	N	Y	N

Motion 2-Reaffirm the Board's June 24, 2008 action to establish when settlement offers may be submitted.

Board approved with a 3-2 vote to reaffirm the Board's June 24, 2008 action to establish when settlement offers may be submitted.

MEMBER	Yee	Leonard	Steel	Chu	Mandel
VOTE	N	Y	Y	N	Y

The direction to be taken:

- Implement new 15-day deadline Administrative Settlement Program policy.
- Staff to keep statistics on the number of requests for settlement and when in the process they are received.
- Staff to include information about when in the process an inquiry for settlement is received in the Settlement Recommendation submitted to the Board for consideration.

Committee Materials:

- Clarification of Board Member's Decision on the Administrative Settlement Program Policies and Procedures Memorandum to Board Members dated June 27, 2008.

Approved: /s/ Bill Leonard
Honorable Bill Leonard, Committee Chair

/s/ Ramon J. Hirsig
Ramon J. Hirsig, Executive Director

BOARD APPROVED

At the July 8, 2008 Board Meeting

/s/ Diane Olson
Diane Olson, Chief
Board Proceedings Division